

of deals are being restructured. HUD reports that the program has saved the federal government about \$500 million on a present value basis to date.

The legislation we have before us includes a series of purposes designed to reiterate Congress' emphasis on adequate rehabilitation and reserves in order to meet ongoing affordability commitments. Similarly, we want to make sure that expenses are properly calculated, so that rents and mortgages can be set correctly. This is included in the bill because of concerns raised by a number of stakeholders, including both residents and owners, that these important goals have been short-changed. We chose not to burden the program with an overly prescriptive set of directives regarding these matters. Nonetheless, we expect HUD and the Office to bear these purposes very much in mind as they administer the program.

The bill reauthorizes grants to tenant and non-profit groups to help residents participate in the Mark-to-Market process. It calls for independent rent calculations to determine whether a property should go through the restructuring process, a simple rent reduction, or a straightforward contract renewal. This independent assessment will be used to set rents for vouchers, should the owner choose to opt out of the program. Owners will continue to have the right to appeal the rent set by the independent review. The bill also expands the flexibility of the Department to approve market rent exceptions where necessary.

The bill gives the Secretary flexibility to reduce the 25 percent owner rehabilitation contribution for the cost of significant additions to a project that are required by HUD. This was done in response to a reasonable equity argument made by the owners.

Finally, in consultation with HUD and a number of owners, we include changes that will expedite refinancing of the old mortgages and lengthen the term of the new first mortgages. We also make adjustments that will allow the size of the second mortgages to be larger, thereby reducing the potential for cancellation of indebtedness income rulings by the IRS with their attendant tax penalties. Taken together, these changes will allow the underwriting to provide for more rehabilitation, reduce the amount of claims taken against the FHA fund, and increase the collection of the second mortgages, thereby saving the taxpayer additional funds on top of the rent savings.

We take HUD's suggestion and put the Director of OMHAR under the authority of the FHA Commissioner, as did the House Financial Services Committee. We keep the provision in current law that establishes higher compensation for OMHAR employees because we want to retain the highly skilled staff. A significant part of the reason we are moving this legislation so expeditiously is that we want to signal that staff that it is our intention to keep them on board and on the job.

The legislation extends the life of both the program and the Office for 5 years. I understand that HUD requested a 3 year extension only. However, data from the GAO indicates that there will still be a significant, if declining, stream of expiring contracts after the third year of the reauthorization. Frankly, I see no reason to revisit this issue a third time. I would strongly prefer to make sure this is the last time we have to act on this issue. Of course, as we move forward, I would expect to continue to discuss these and other matters, both with the administration and with the House.

In closing, this legislation has broad bipartisan support. My colleagues and I tried to be responsive to the administration and other stakeholders, while ensuring that we maintain a highly skilled staff at the Department. I am hopeful that we can move this legislation quickly through the process.

SUPPORT FOR FULL FUNDING OF THE NATIONAL GUARD

Mr. GRASSLEY. Madam President, I rise to express my strong support for the National Guard's counterdrug mission. I am concerned that proposed Department of Defense, DoD, funding for the National Guard's FY-2002 Counterdrug Program, State Plans, is not sufficient to ensure the continuance of this valuable service to law enforcement and local communities, and request that the funding be increased \$40.7 million, from the President's \$154.3 million request, to a total of \$195 million.

The National Guard's Adjutant Generals, from the various States, have indicated to the National Guard Bureau, that without a minimum of \$195 million budgeted for this program, large personnel layoffs may occur. My staff has heard reports that one State may have to downsize by as much as one-third their personnel. Over ninety percent of the National Guard's counterdrug program costs are personnel-based, and as such, it is extremely sensitive to variations in funding, taking years to recover from any reduction in trained and experienced personnel. These reductions affect supported agencies, including the Customs Service, DEA, U.S. Border Patrol, FBI, HIDTAs, scores of State and local law enforcement agencies, and community based organizations.

I am also concerned about the apparent lack of emphasis, and even distancing of itself, by the Department of Defense, on the counterdrug mission, especially in a year of discussions of increased DoD funding for other military mission areas. I sense this repeatedly in insufficient funding for the National Guard and other critical counterdrug mission areas, and believe this would be a poor policy decision and a poor indication of the nation's priorities.

I urge my colleagues and the Department of Defense to give serious consideration to the National Guard program

and its contribution to our national drug control strategy.

LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Madam President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of this year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred January 28, 1998 in Webster, MA. A gay man was allegedly attacked by two men, one of whom he met through a gay chat room on the Internet. The men also used anti-gay epithets. William "Billy" Peters was arrested in the incident.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

ADDITIONAL STATEMENTS

NAGORNO KARABAGH'S INDEPENDENCE DAY

• Mr. JOHNSON. Mr. President, I rise today to recognize September 2, 2001, as the 10th anniversary of Nagorno Karabagh's declaration of independence. Born from the disintegration of the Soviet Union in the late 1980s, the Republic of Nagorno Karabagh has faced incredible odds over the past decade in its struggle for self-determination, independence, peace, and stability.

Many Americans know very little about Nagorno Karabagh. However, the region is culturally rich and historically significant as a bridge between Eastern and Western societies. Armenians have been a distinct political entity in Artsakh—the traditional Armenian name for the Republic of Nagorno Karabagh—since the 2nd Century B.C. Christianity in the region grew and strengthened following the construction of the historic Monastery in Amaras in 330 A.D. Repeatedly destroyed by generations of invaders and rebuilt, the Monastery in Amaras currently stands as a symbol of faith and perseverance for Armenians.

The Soviet Union's oppression of independence in the region began in the 1920s as Nagorno Karabagh and its predominantly Armenian population were attached to Azerbaijan. Most recently, Armenians in Nagorno Karabagh struggled to fight the rise of Islamic fundamentalism in the Caucasus region.

Finally, on September 2, 1991, the Armenians of Nagorno Karabagh declared